

*P. Bell.*

# AGREEMENT

BETWEEN

HER MAJESTY

Represented by the Honourable the Commissioner of Crown Lands  
for the Province of Ontario,

AND

THE SPANISH RIVER PULP AND PAPER COMPANY,

Dated the 21st day of September, 1899.

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PRINTED BY ORDER OF  
THE LEGISLATIVE ASSEMBLY OF ONTARIO.

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TORONTO:  
WARWICK BROS & RUTTER, PRINTERS, 68 AND 70 FRONT STREET WEST.  
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Agreement between Her Majesty... dated  
the 2nd day of September 1899. 1900. 8p.

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## AGREEMENT.

This Indenture made in duplicate this twenty-first day of September, one thousand eight hundred and ninety-nine.

Between

Her Majesty, represented by the Honorable the Commissioner of Crown Lands for the Province of Ontario, hereinafter called "The Government" of the first part,

And Marshall Jewel Dodge of the City of New York, in the State of New York, United States of America, Lumberman; Adam Rutherford Creelman of the City of Toronto, in the Province of Ontario, Dominion of Canada, Queen's Counsel; John James McNeil, of Toronto, aforesaid, Lumberman; William Joseph Sheppard, of the Village of Waubaushe, in the County of Simcoe and Province of Ontario aforesaid, Lumberman; William Irwin, of the Town of Peterborough, Province of Ontario aforesaid, Lumberman; Angus McLeod, of the Town of Bracebridge, in the District of Muskoka, and Province of Ontario aforesaid, Lumberman; Thomas Henry Sheppard, of the Town of Orillia, in the County of Simcoe aforesaid, Lumberman; George McCormick, of the Town of Orillia aforesaid, Lumberman; James Playfair, of the Town of Midland, in the County of Simcoe aforesaid, Lumberman; Charles McCool, of the City of Ottawa, in the County of Carleton, Province of Ontario aforesaid, Lumberman, and William D. Lummis, of Spragge, in the District of Algoma, Lumberman, who intend to form a Joint Stock Company under "The Ontario Companies Act" to be called the Spanish River Pulp and Paper Company, Limited, and hereinafter called "The Company," of the second part.

Whereas the Company is the owner of lot number eight in the sixth concession of the Township of Merritt, in the District of Algoma, excepting thereout that portion of the said lot which is described by metes and bounds in the certificate of ownership granted by the Deputy Local Master of Titles at Sault Ste. Marie, in the Province of Ontario, being parcel number 1581 in the Register for the District of Algoma, and which certificate is dated the seventeenth day of February, one thousand eight hundred and ninety-nine.

And whereas the Spanish River, in the said District of Algoma flows through the said lot and at a certain point therein has formed a very valuable water power which the Company intends to utilize for the purposes hereinafter set forth.

And whereas the Company proposes to construct and operate upon the said lot and in connection with the said water power extensive pulp and paper mills and to expend a large amount of capital in connection therewith and with the operation thereof and from time to time to extend the same.

And whereas the Company is desirous of obtaining from the Government of the Province of Ontario the right to cut from and upon certain Crown Lands of the Province such pulp and other wood as is necessary for its uses in the carrying on of the said enterprises and in manufacturing pulp and paper and any other commodity which can be manufactured from such woods at their said mills and at any other mill or mills which the Company may find it necessary to construct, buy, lease or operate in connection with its business.

And whereas this agreement is entered into for the purpose of ensuring the performance by the Company of its obligations as hereinafter defined and of

securing to the Company a continuous supply of wood for the purpose of its business upon the terms and subject to the conditions and stipulations hereinafter contained.

And whereas in order to carry the said undertaking into effect the parties above named, being the parties hereto of the second part, propose to form a Joint Stock Company under the provisions of "The Ontario Companies' Act" for the purpose of acquiring the said land and of taking over and acquiring this agreement and all the benefits and advantages appertaining thereto, and of assuming the obligations hereby incurred by the said parties, and of carrying on and operating the said undertaking, and which Company they propose shall be called The Spanish River Pulp and Paper Company, Limited.

Now, therefore, this indenture witnesseth and it is agreed by and between the Company and the Government as follows, that is to say:—

1. The parties hereto of the second part shall forthwith proceed to form a Joint Stock Company under the provisions of "The Ontario Companies' Act," with a capital stock sufficient to carry out the obligations entered into herein, and of which Company the said parties shall all be members.

2. Immediately after the incorporation and organization of the said Joint Stock Company the said parties hereto of the second part shall convey to it the said land above described, together with this agreement and all benefit and advantage to be derived therefrom.

3. The Joint Stock Company so to be incorporated shall assume all the liabilities and engagements which are assumed and entered into herein by the parties hereto of the second part, and their personal liability to the Government, except the agreement to expend the first one hundred thousand (\$100,000) dollars as hereinafter set forth, shall cease and determine when such liabilities and engagements have been assumed by such Joint Stock Company.

4. The Company shall with all convenient despatch proceed to the construction of a pulp mill and a paper mill on the said land in connection with the said water power, and will thoroughly equip the same so that the expenditure of the Company in the construction and equipment of the said pulp mill and paper mill, and of such other buildings and constructions as are necessary to the undertaking will be at least the sum of five hundred thousand dollars, and will operate the same so that the annual output of the said mills in pulp and paper will amount to at least twenty thousand tons, and so that at least two hundred and fifty hands on an average will be continuously employed in connection therewith.

5. Of the said sum of five hundred thousand dollars not less than one hundred thousand dollars shall be expended within eighteen months from the date hereof, and not less than two hundred and fifty thousand dollars within two years from the date hereof, and the balance within three years from the date hereof.

6. In consideration of the said expenditure and of the contracts and engagements entered into on the part of the Company, the Government will grant to the Company for use in their said business the right for a period of twenty-one years from the date hereof to cut and remove spruce poplar or whitewood and banksian or jack pine six inches and upwards in diameter to enable the Company to work the said pulp and paper mills and any extensions thereof to their full capacity from the time when the Company commences cutting under this contract from those portions of the lands of the Crown on which the said woods or



any of them may be found and which may be at any time unoccupied, unlocated or unsold, along the Spanish Vermillion and Onaping Rivers, in the District of Algoma, and along the extensions and tributaries of the said rivers other than the Sauble branch of the Spanish River, for a distance extending back five miles from the shores thereof respectively, for the rates and prices hereinafter set forth and provided and subject to such reasonable terms, conditions and regulations as to the cutting, removing and driving of the same as may from time to time be imposed by the Lieutenant-Governor-in-Council, and subject also as is herein-after set forth and contained.

7. The Company may select and delimit or set out fifty square miles of unoccupied and unlicensed public land from the said territory upon which is to be found the woods aforesaid, but in such a way that merely patches of land covered specially by spruce shall not be particularly selected.

8. The Government will from time to time as occasion may require grant permits to the company to cut elsewhere within the said territory than on the said fifty miles at places to be agreed upon between the company and the government or the agent appointed by the government for that purpose so many cords of the said woods as may be necessary to keep the mills running less the amount which may be taken from the said fifty miles which latter shall not be less in any one year than the one-twenty-first part of the entire quantity required for the year for the use of the said mills and the rates and prices payable in respect of the cutting upon the territory outside the said fifty miles shall be the same as the rates and prices in respect of the cutting on such reservation.

9. The company shall pay twenty cents per cord of one hundred and twenty-eight cubic feet for spruce and ten cents per cord of one hundred and twenty-eight cubic feet for the other woods above mentioned or such other prices as may from time to time be fixed by the Lieutenant-Governor-in-Council for such wood, but in no case shall the price so to be fixed be at higher figures than the price at which the general public shall be permitted to cut on other portions of the crown domain or than others similarly situated shall be permitted to cut.

10. The crown may revoke the right license or permit to cut whenever the company shall fail to comply with the terms of this agreement.

11. It is distinctly understood and agreed that only the right to cut wood as aforesaid is sold to the company and not the soil or any part thereof nor is any interest in the soil so sold except in so far as may be necessary to cut and remove the woods and aforesaid and the wood when so cut shall (subject to the payment of the price thereof) become the absolute property of the company.

12. This concession is not to impede or retard settlement by actual bona fide settlers who shall have obtained the right from the Crown Lands Department to settle thereon in the usual manner.

13. Nothing herein contained or to be done hereunder or by virtue hereof shall entitle the company to a monopoly in the use of the said river or its tributaries but the same shall be and continue open for the use of the public in accordance with the law in that behalf. But in view of the character of the industry to be established the investment of so large an amount of capital and the probable enlargement of the industry in the near future it is understood that the government will not grant, sell to or confer upon any other person or persons corporation or corporations the right to cut pulpwood within the territory hereinbefore refer-

red to for the purpose of export before being manufactured into pulp or the right to cut pulpwood within or upon the said territory the granting of which rights would in the opinion of the Commissioner of Crown Lands for the time being have the effect of so far lessening or diminishing the supply of pulpwood in the said territory during the period covered by this agreement and which under this agreement will be available for the making of pulp by the company as to prejudicially interfere with the company during that period in obtaining all the pulpwood necessary for supplying the said mills and any extensions thereof that may be under construction and bona fide in process of completion but nothing in this paragraph nor in this agreement shall prevent the sale or location to actual settlers of any part of the said lands in the usual manner.

14. It is distinctly understood and agreed that nothing herein contained shall without the consent in writing of the Commissioner of Crown Lands for Ontario be deemed to confer any right to cut or remove any timber from any territory or areas already under license or permit from the Crown or which may hereafter be placed under license or permit for the cutting of pine timber during the time such licenses are in force or until after the pine timber is cut therefrom, nor shall any cutting take place under this agreement in or in the immediate proximity of territory covered with green, merchantable pine available for lumbering purposes or which may be considered by the government to be pine bearing lands.

If, however, the wood in other parts of the available territory has been exhausted or is insufficient for the requirements of the Company's mills the Company may cut in the vicinity of such pine bearing lands upon such terms and conditions as may from time to time be agreed upon between the government and the company, or if they cannot come to an agreement then upon such terms, conditions and regulations as may from time to time be made or imposed by the Lieutenant-Governor-in-Council or by the Commissioner of Crown Lands for the purpose of affording ample protection to the standing pine. Nothing in this paragraph contained shall be taken to confer upon the company the right to cut and remove timber which is covered by license from the Crown during the time the license is in force except with the consent of the licensee.

15. Provided, however, and it is understood and agreed that the company shall not be entitled to cut wood of any kind on the said territory or on any part thereof for the purposes of export in the wood nor for sale to other persons for export in the wood but that there shall be no limitation other than as to the export and size of wood of the right of the company to cut or remove pulp wood from the fifty square miles hereinbefore referred to after the same shall have been delimited and set apart.

16. It is hereby further agreed that nothing in this agreement contained shall prevent the government from selling the right to any person or persons to cut the pine trees on any part of the territory hereinbefore mentioned which has not already been placed under license and to grant timber licenses in respect thereof under the statutes and regulations in that behalf, and in no case shall the company be entitled to cut the pine trees other than banksian pine unless under special permit or license from the government or the Commissioner of Crown Lands.

And further that no part of the said fifty square miles shall be composed of pine-bearing lands unless where expressly permitted by the Commissioner of Crown Lands. But in the case of a sale of the right to cut pine trees as in this clause hereinbefore mentioned the sale of the right to cut shall be confined to the



pine trees only and to such other timber as may be necessary to cut and remove the same.

17. Nothing herein contained shall require the government to provide any particular quantity of wood, as the government in no case guarantees quantities nor does anything more than grant the right to cut such wood as aforesaid within the aforesaid limits and nothing herein contained shall require the company to purchase any particular quantity of wood or to pay for any wood not actually cut upon the said territory but it is clearly understood and agreed that so long as the supply of wood upon the said territory is sufficient to supply the mills of the company herein referred to the company will take its supply of wood therefrom.

18. It is also hereby declared that the intention of these presents is that the said company shall at all times during the term of twenty-one years from the date hereof obtain a sufficient supply of pulp wood for the operations of their pulp and paper mills so far as the same can be found available within the limits hereinbefore described and so far as the same can be obtained consistently with the terms of this agreement.

19. If the company shall not within three years from the date hereof expend at least the sum of five hundred thousand dollars in erecting the said pulp mill and paper mill and other necessary buildings and constructions as aforesaid and in the construction and equipment thereof and in preparing for the operation of the same and for getting out the wood for the supply of the said mills this agreement shall become null and void and of no effect in so far as the whole territory is concerned.

20. Settlement shall be made with the Government at the close of each season of navigation for the price of the wood cut up to that time, and a correct account of all wood cut by the company shall be kept in the books of the company in such a manner as the regulations made or to be made shall provide, and to which the officers of the crown shall at all times be entitled to access, and returns shall from time to time be made under oath by the company to the crown of the quantities cut, or as regulations aforesaid may require.

21. Subject to the provisions of paragraph 19, it is agreed that in the event of the failure on the part of the company to erect the said pulp mill and paper mill and plant, and to expend the moneys thereon hereinafter stated, or in default of the said company keeping the same running after the erection thereof, and keeping the required number of men employed as aforesaid, the Government may refuse to permit the continuance of the cutting of the said wood.

22. The company covenants with Her Majesty that it shall and will not at any time or in any place deposit, empty, run or turn into, or permit to be placed, deposited, emptied, run or turned into any river, stream, or other waters whatsoever, refuse, sawdust, chemicals, or matter of other kind which will have the effect of destroying, harming or driving away the fish in such river, stream or water.

23. Whenever the expression of "the company" shall occur in this agreement it shall be understood to include the heirs, executors, administrators and assigns of the parties hereto of the second part, and the successors and assigns of the joint stock company so to be formed.

24. This agreement is provisional only until approved by resolution of the

Legislative Assembly of the Province of Ontario. In witness whereof the Commissioner of Crown Lands has hereunto set his hand and seal, and the individuals described herein as the company have hereunto set their hands and seals the day and year aforesaid.

|                                                 |   |                          |        |
|-------------------------------------------------|---|--------------------------|--------|
| Signed, sealed and delivered in the presence of | } | (Sgd) MARSHALL J. DODGE. | [seal] |
| (Sgd) JACK TAYLOR.                              |   |                          |        |
| As to execution, by Marshall Jewel Dodge.       | } | (Sgd) A. R. CREELMAN.    | [seal] |
| (Sgd) GEORGE C. LOVEYS.                         |   |                          |        |
| As to execution, by Adam Rutherford Creelman.   | } | (Sgd) J. J. MCNEIL.      | [seal] |
| (Sgd) C. S. MACINNES.                           |   |                          |        |
| As to execution by J. J. McNeil.                | } | (Sgd) W. J. SHEPPARD.    | [seal] |
| (Sgd) A. ANDERSON.                              |   |                          |        |
| As to execution by William Joseph Sheppard.     | } | (Sgd) WILLIAM IRWIN.     | [seal] |
|                                                 |   |                          |        |
| As to execution by William Irwin.               | } | (Sgd) ANGUS MCLEOD.      | [seal] |
| (Sgd) T. B. COWLEY.                             |   |                          |        |
| As to execution by Angus McLeod.                | } | (Sgd) T. H. SHEPPARD.    | [seal] |
| (Sgd) T. B. COWLEY.                             |   |                          |        |
| As to execution by Thomas Henry Sheppard.       | } | (Sgd) GEORGE MCCORMICK.  | [seal] |
| (Sgd) J. W. BLAIR                               |   |                          |        |
| As to execution by George McCormick.            | } | (Sgd) JAMES PLAYFAIR.    | [seal] |
| (Sgd) T. B. COWLEY.                             |   |                          |        |
| (Sgd) JOHN W. BENSON.                           | } | (Sgd) C. MCCOOL.         | [seal] |
|                                                 |   |                          |        |
| As to execution by James Playfair.              | } | (Sgd) C. MCCOOL.         | [seal] |
| (Sgd) OTTO T. TELGMANN.                         |   |                          |        |
| As to execution by Charles McCool.              | } | (Sgd) WILLIAM D. LUMMIS. | [seal] |
| (Sgd) H. E. GLADSTONE.                          |   |                          |        |
| As to execution by William Lummis.              | } |                          |        |
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